

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Jay Emler at 9:30 A.M. on March 17, 2008 in Room 526-S of the Capitol.

Committee members absent: Sen. Roger Reitz - excused

Committee staff present: Raney Gilliland, Kansas Legislative Research Department

Cindy Lash, Kansas Legislative Research Department

Mike Corrigan, Revisor of Statutes

Ann McMorris, Committee Secretary

Conferees appearing before the committee:

Steve Rarrick, CURB

Ken Schifman, Sprint

Others in attendance: See attached list

An example of pricing constraint under KSA 66-2005 (q)(7), prepared by Janet Buchanan of KCC, was distributed to the committee. ([Attachment 1](#))

Chair continued the hearing on

HB 2637 - Telecommunications; pricing flexibility; lifeline service program

Opponents:

Steve Rarrick, Staff Attorney, Citizens' Utility Ratepayer Board, noted the primary objective of **HB 2637** is to remove the price cap protections for the basic residential line and up to four business lines (basic local service). This bill is not about pricing flexibility, it is about price increasing flexibility. He presented examples of the results in other states which have passed price deregulation legislation similar to **HB 2637**. He noted in most states they have limited price increase for basic local service to a specific dollar amount each year.

CURB urges the Committee to pass the provisions of **HB 2637** related to automatic Lifeline enrollment. ([Attachment 2](#))

Ken Schifman, Sprint Nextel, noted Sprint objects when deregulation is not coupled with safeguards necessary to protect consumers and promote further competition. Sprint Nextel's proposed amendment provides a critically needed balance to offset the removal of price caps on basic local services and to ensure a public interest benefit for the citizens of Kansas. The proposed amendment would insert the language "by July 1, 2009" on page 2, line 26 after the word 'approval'. Without a deadline imposed by the legislature, other matters could take precedence at the KCC. ([Attachment 3](#))

Committee questions: Percentage on five year increase. Inflation rate. Meaning of competition as used in the statute. Level of competition in the states referenced in Mr. Rarrick's testimony. (Unknown) What percentage of customers are under the cap rate? (Not available).

Closed hearing on **HB 2637**.

The Chair had asked all conferees appearing on **HB 2637** to provide their amendments if they had any, and bring them to the meeting today. Susan Cunningham of AARP provided AARP's proposed revisions which were distributed to the committee. ([Attachment 4](#))

Other information provided the committee: Price Deregulated Exchanges and Competitive Exchanges. ([Attachment 5](#))

Senator Lee requested further information from AT&T and Janet Buchanan of KCC to clarify some questions she had regarding **HB 2637** to be delivered to the committee prior to committee action on the bill. Adjournment.

Respectfully submitted,
Ann McMorris, Secretary
Attachments - 5

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: MARCH 17, 2008

Name	Representing
- Kari Prestley	Kearney & Associates
DIWA FISK	VERIZON
ERNEST KALZLY	AARP
DAN JACOBSEN	AT&T
Cyndi Gallagher	AT&T
Ken Schiffman	Sprint Nextel
Coleen Jensen	COX
Michelle Schroeder	Damon Bond Relations
Destin Meyer	Pinegar, Smith, PAssett
Jeffrey Lewis	AT&T
Mike Murray	Erickson
John Idoux	"
Lauden Cantor	"
Judy Gadd	"
Sue Donoho	"

Example of Pricing Constraint under K.S.A. 66-2005(q)(7)

Assume starting rate for service is \$15.00 and the rate of inflation (% change in CPI) is 3% each year.

Starting Rate = \$15.00

Year

1	$15 + (15 \cdot .03) = 15.45$
2	$15.45 + (15.45 \cdot .03) = 15.91$
3	$15.91 + (15.91 \cdot .03) = 16.39$
4	$16.93 + (16.93 \cdot .03) = 17.44$
5	$17.44 + (17.44 \cdot .03) = 17.96$
6	$17.96 + (17.96 \cdot .03) = 18.50$
7	$18.50 + (18.50 \cdot .03) = 19.06$
8	$19.06 + (19.06 \cdot .03) = 19.63$
9	$19.63 + (19.63 \cdot .03) = 20.22$
10	$20.22 + (20.22 \cdot .03) = 20.83$

End Rate = \$20.83

$$\% \text{ change over time period} = (20.83 - 15.00) / 15.00 = 38.87\%$$

Citizens' Utility Ratepayer Board

Board Members:

Gene Merry, Chair
A. W. Dirks, Vice-Chair
Carol I. Faucher, Member
Laura L. McClure, Member
Randy Brown, Member



State of Kansas

Kathleen Sebelius, Governor

David Springe, Consumer Counsel
1500 S.W. Arrowhead Road
Topeka, Kansas 66604-4027
Phone: (785) 271-3200
Fax: (785) 271-3116
<http://curb.kcc.state.ks.us>

Testimony on Behalf of the Citizens' Utility Ratepayer Board
By Steve Rarrick, Staff Attorney
Before the Senate Utility Committee
Re: House Bill 2637
March 11, 2008

Chairman Emler and Members of the Committee:

Thank you for the opportunity to appear before you this morning on behalf of the Citizens' Utility Ratepayer Board (CURB). My name is Steve Rarrick and I am an attorney with CURB.

The primary objective of House Bill 2637 (page 8, line 28) is to **remove the price cap protections for the basic residential line and up to four business lines** (basic local service). CURB opposes the removal of price cap protection for basic local service for the same reasons we urged the legislature to include this continued protection when price deregulation was passed in 2006.

Passage of this bill will result in higher prices for residential and small businesses who subscribe to basic local service. Consumers and small businesses with less than four lines subscribing to basic local service do not offer the lucrative opportunities to competitive companies that result in real competition. Those consumers and small businesses will lose the protections of price cap regulation under this bill, and will pay higher prices as a result.

CURB has asked AT&T for **information on how many subscribers** it has with only a basic residential line and long distance and/or ala carte vertical services, but has been advised that **AT&T considers this information confidential**. However, **information** gathered during the **price deregulation application by AT&T** in 2005 indicated the following:

- Competitors' share of the stand-alone residential market was 2% compared to SBC's near monopoly 98% share.¹
- 25.06%, 23.20%, and 23.3% of SBC's Kansas City, Wichita, and Topeka subscribers, respectively, subscribed to basic residential access line service only.²
- A significant number of residential consumers purchased only one vertical service and the competitors offering vertical service did so only in bundles rather than on a stand-alone basis.³

¹June 27, 2005 Order, at ¶ 101.

²June 27, 2005 Order, at ¶ 186.

- 12.65% of Kansans were elderly, 14.75% were disabled, and 12.1% were impoverished.⁴

As noted by the Kansas Corporation Commission (KCC) in 2005, the relatively vulnerable positions of the elderly, disabled, and impoverished should be considered to ensure they have access to universal service at an affordable price as required by K.S.A. 66-2001(a).⁵

Under the price deregulation amendments to K.S.A. 66-2005 passed in 2006, bundled telephone services are price deregulated statewide, and nearly all services in exchanges with more than 75,000 lines (Kansas City, Topeka, and Wichita) have been price deregulated. For all other exchanges, AT&T and Embarq are able to obtain price deregulation by merely demonstrating there are 2 unaffiliated carriers, one of which is facilities-based, providing service to more than one customer in the exchange. This test is easily met, as some of the “competitors” identified by AT&T in the 20-plus exchanges price deregulated under this statute only narrowly passed the requirement that they provide service to more than one customer. In one of the price deregulated exchanges, one of the required “competitors” publicly admitted to KCC Staff that its wireless coverage in the community was, in its own words, “poor at best.” Despite this admission, the exchange was price deregulated because it met the statutory minimum of two unaffiliated providers providing service to more than one customer.

The reality is that AT&T has achieved price deregulation of most of its services. However, the 2006 legislature wisely chose to continue to protect residential and small business basic local service with price cap protection. CURB urges this Committee to continue price cap protection for basic local service that the poor, the disabled, and the elderly use for contacting doctors, schools, and friends and family, and that small businesses use for conducting business. **Basic local service is the primary service in the definition of universal service in K.S.A. 66-1,187 (p), and is a service that should not be price deregulated to ensure that “every Kansan will have access to a first class telecommunications infrastructure that provides excellent services at an affordable price.” K.S.A. 66-2001(a).**

This bill is not about pricing flexibility, it is about price increasing flexibility – granting AT&T the ability to raise prices without oversight or cost justification. While price increases for deregulated vertical services have been as high as 600% in some cases, most states passing price deregulation similar to House Bill 2637 have limited price increases for basic local service to a specific dollar amount each year. For example, Iowa limits monthly price increases for basic local service to not more than \$1.00 per year, Oklahoma limits monthly price increases to not more than \$1.90 per year, and Wisconsin has a monthly price increase limit of \$2.50 per year. Those statutory caps on monthly price increases were important, as reflected by the willingness of the major carriers to raise prices to the statutory limit:

per month *per month*

³June 27, 2005 Order, at ¶ 102.

⁴June 27, 2005 Order, at ¶ 186.

⁵June 27, 2005 Order, at ¶ 186.

- In Iowa, Quest implemented the maximum \$1 monthly price increase in 2005, 2006, and 2007.
- In Oklahoma, AT&T immediately implemented the maximum \$1.90 price increase in 2006 following price deregulation. In 2007, AT&T raised its rates \$1.88 per month for rural and small town Oklahoma residents, and \$.76 per month for residents of Tulsa and Oklahoma City.
- In Wisconsin, AT&T implemented the maximum \$2.50 monthly price increase in 2006 and a \$1.72 monthly price increase in 2007.

If the Committee decides to approve AT&T's request to eliminate price cap protections for basic local service, CURB urges the Committee to amend the bill to limit the amount of monthly price increases per year to \$1.00 (which would be more than a 6% increase if implemented in year 1), and to detariff all price deregulated services and specify that price deregulated services no longer have the protections of the filed rate doctrine or any limitations of liability that may have been approved in tariffed services. The immunity of the filed rate doctrine and the limitations of liability that are approved in tariffed services should not apply to carriers who are no longer price regulated.

CURB supports the provisions at pages 12-13 of House Bill 2637, which would amend K.S.A. 66-2006 to allow automatic enrollment in the Kansas Lifeline Service Program for persons designated by the Department of Social and Rehabilitation Services (SRS) as participating in qualifying programs under the Lifeline Program. This should increase enrollment in the Lifeline program in Kansas, which is woefully low in relation to the number of Kansans who qualify for the program. The automatic enrollment proposed by this bill is long overdue, and should not be tied to AT&T's request to price deregulate basic local service.

It is important to note, however, that there is a segment of Kansans who qualify for Lifeline but do not appear on any SRS list. Many Kansans do not participate in any qualifying programs even though they may qualify for them, and still need to be reached through public service announcements and carrier advertising to obtain greater Lifeline participation.

CURB does not oppose the provisions at page 13, lines 32-42, which would require the KCC to approve a limited Lifeline Eligible Telecommunications Carrier (ETC) designation. However, as a matter of policy, CURB doesn't understand why this limited Lifeline ETC designation should be limited to wireline facilities-based carriers and not available for all carriers (including wireless carriers) that can "meet all other ETC eligibility requirements." If the policy goal is to promote Lifeline participation and to level the playing field for all carriers, the Committee should strike the words, "wireline (CMRS)," at page 13, lines 34-35.

On behalf of CURB, I urge you to vote against the provisions of House Bill 2637 that remove price cap protections for the basic residential line and up to four business lines (page 8, line 28). If the Committee decides to eliminate price cap protection for basic service, price increases should be capped at \$1.00 each year, and price deregulated services should be detariffed to remove the protections of the filed rate doctrine and any limitations of liability that apply to tariffed and price regulated telephone services.

per month

CURB urges the Committee to pass the provisions of House Bill 2637 related to automatic Lifeline enrollment. Finally, if the Committee believes a limited Lifeline ETC designation is appropriate, CURB urges the Committee to adopt CURB's suggested amendment to level the playing field for all carriers.



Sprint

Together with NEXTEL

Sprint Nextel
6450 Sprint Parkway
Overland Park, KS 66251
Mailstop: KSOPHN212-2A303

Kenneth A. Schifman
Director, State Regulatory
Government Affairs
913-315-9783
Kenneth.schifman@sprint.com

**Testimony of Sprint Nextel in Opposition to HB 2637
Before the Senate Utilities Committee
Ken Schifman
March 17, 2008**

Thank you for giving me the opportunity to present Sprint's views on House Bill 2637 (HB 2637) on behalf of Sprint Nextel's customers and thousands of employees living and working here in Kansas –which I'm proud to say is once again our world headquarters. My name is Ken Schifman. After having obtained massive deregulation from the Kansas legislature just two sessions ago, HB 2637 would eliminate the remaining regulatory protection for those services and customers that are least likely to benefit from competition by removing the price caps on rates for residential and small business customers. Sprint Nextel strongly supports minimizing regulation in markets that are fully competitive. Indeed the wireless industry has grown tremendously without invasive state regulation. But Sprint Nextel objects when deregulation is not coupled with safeguards necessary to protect consumers and promote further competition. For this reason, Sprint Nextel proposes a sensible amendment to HB 2637 requiring the Kansas Corporation Commission to investigate and approve reductions in the charges that price capped companies charge other carriers like Sprint Nextel to complete calls by July 1, 2009.

Under current Kansas law, the price of basic local service for residential and small businesses is capped throughout the state – even in exchanges that have more than 75,000 access lines. AT&T and Embarq seek in HB 2637 to remove that cap citing competitive pressures. The incumbents do not need to change the law though to decrease prices to residents and small businesses. They simply could file a tariff at the KCC that is effective upon filing and reduce rates to meet the rates of the competitor. Undoubtedly, the reason why HB 2637 is supported by AT&T and Embarq is so that they can raise rates. Sprint has seen many examples in multiple states, including Kansas, where incumbents receiving deregulatory relief from state legislatures citing competitive pressures, have actually used that freedom to increase prices.

Freedom to set rates where the competitive market dictates is fine as long as the incumbents setting those rates also do not receive unfair subsidies from competitors like Sprint. Under the current system, Sprint pays carrier access rates for its customers to complete in-state calls to Embarq customers that far exceed the rates for interstate calls to Embarq customers. There are no technical causes for this subsidy to be paid for in-state calls; only outdated regulatory reasons. The legislature already has recognized this problem when it first approved price cap regulation in 1996 and required the KCC to reduce intrastate access rates for price capped companies to interstate levels. The KCC did this for AT&T back in 2001. Embarq's rates were reduced somewhat in 2001 but still far exceed the interstate levels.

Seven more years have passed. Sprint's proposed amendment requires the KCC to examine the carrier access rates and set them at interstate levels by July 1, 2009. Without a reasonable deadline imposed by the legislature other matters at the KCC could take precedence. Current law allows Embarq to be revenue neutral when it reduces access rates. Sprint is not seeking to change that feature of the law but will encourage the Commission to take into account any increases in residential and small business rates made by Embarq under the new flexibility granted by HB 2637 and increased revenues from other sources to offset the access rate reductions. By reducing inflated carrier access rates to a more reasonable level, you can ensure Kansas citizens will benefit from lower prices for in-state toll calls as current law requires toll carriers to flow through access charge reductions. Sprint Nextel's proposed amendment provides a critically needed balance to offset the removal of price caps on basic local services and to ensure a public interest benefit for the citizens of Kansas. Sprint Nextel vigorously opposes passage of HB 2637 unless its amendment is adopted. Thank you for allowing me this time to address this important matter and I would be happy to answer any questions.

Senate Utilities Committee
March 17, 2008
Attachment 3-1

PRINT
AMENDMENT

§-11-03

HB 2637

2

1 a local exchange carrier may elect traditional rate of return regulation or
2 price cap regulation. Carriers that elect price cap regulation shall be ex-
3 empt from rate base, rate of return and earnings regulation. However,
4 the commission may resume such regulation upon finding, after a hearing,
5 that a carrier that is subject to price cap regulation has: violated minimum
6 quality of service standards pursuant to subsection (1) of K.S.A. 66-2002,
7 and amendments thereto; been given reasonable notice and an oppor-
8 tunity to correct the violation; and failed to do so. Regulatory reform plans
9 also shall include:

10 (1) A commitment to provide existing and newly ordered point-to-
11 point broadband services to: Any hospital as defined in K.S.A. 65-425,
12 and amendments thereto; any school accredited pursuant to K.S.A. 72-
13 1101 et seq., and amendments thereto; any public library; or other state
14 and local government facilities at discounted prices close to, but not be-
15 low, long-run incremental cost; and

16 (2) a commitment to provide basic rate ISDN service, or the tech-
17 nological equivalent, at prices which are uniform throughout the carrier's
18 service area. Local exchange carriers shall not be required to allow retail
19 customers purchasing the foregoing discounted services to resell those
20 services to other categories of customers. Telecommunications carriers
21 may purchase basic rate ISDN services, or the technological equivalent,
22 for resale in accordance with K.S.A. 66-2003, and amendments thereto.
23 The commission may reduce prices charged for services outlined in pro-
24 visions (1) and (2) of this subsection, if the commitments of the local
25 exchange carrier set forth in those provisions are not being kept.

26 (c) Subject to the commission's approval, all local exchange carriers
27 shall reduce intrastate access charges to interstate levels as provided
28 herein. Rates for intrastate switched access, and the imputed access por-
29 tion of toll, shall be reduced over a three-year period with the objective
30 of equalizing interstate and intrastate rates in a revenue neutral, specific
31 and predictable manner. The commission is authorized to rebalance local
32 residential and business service rates to offset the intrastate access and
33 toll charge reductions. Any remaining portion of the reduction in access
34 and toll charges not recovered through local residential and business serv-
35 ice rates shall be paid out from the KUSF pursuant to K.S.A. 66-2008,
36 and amendments thereto. Each rural telephone company shall adjust its
37 intrastate switched access rates on March 1 of each odd-numbered year
38 to match its interstate switched access rates, subject to the following:

39 (1) Any reduction of a rural telephone company's cost recovery due
40 to reduction of its interstate access revenue shall be recovered from the
41 KUSF;

42 (2) any portion of rural telephone company reductions in intrastate
43 switched access rates which would result in an increase in KUSF recovery

by 7/1/2009,

3-2



AARP Kansas
555 S. Kansas Avenue
Suite 201
Topeka, KS 66603

T 1-866-4-3619
F 785-232-8259
TTY 1-877-434-7598
www.aarp.org/ks

HB 2637
March 17, 2008

Senator Jay Scott Emler, Chair
Senate Utilities Committee

Good morning Chairman Emler and Members of the Senate Utilities Committee. My name is Susan Cunningham and I represent AARP Kansas. AARP Kansas represents the views of more than 371,000 AARP members in the state of Kansas. Thank you for this opportunity to express our comments in opposition to HB 2637 which would allow price deregulation for telecommunications services and our proposed revisions to the Lifeline provisions in HB 2637 which would set up auto-enrollment for the Lifeline program.

As requested, please find attached AARP's proposed revisions to the HB 2637 Lifeline provisions. While we strongly support automatic enrollment, we felt that the following revisions are necessary to ensure that there are clear directions and requirements for local exchange carriers and the Department of Social and Rehabilitative Service to cooperate in facilitating enrollment of eligible customers.

Also, as requested, for program education, we are submitting an article on the Lifeline program for the June edition of the AARP Bulletin which will be delivered to all AARP member households in Kansas and for our May edition of our Kansas Newsletter. We are also posting a Lifeline link on our AARP Kansas webpage and attaching information to our announcements page on that website.

We continue to believe that consumers will be best served by rejecting this bill and continuing capped rates for basic local service, giving providers flexibility to offer package and pricing options.

Thank you again for this opportunity to provide comments on HB 2637.

Senate Utilities Committee
March 17, 2008
Attachment 4-1

TO: Senate Utilities Committee

Formatted: Font: (Default) Arial, 14 pt

FROM: Ernie Kutzley | AARP Kansas | Advocacy Director

SUBJECT: Proposed Revisions to HB 2637 Re Lifeline Provisions

DATE: March 14, 2008

Sec. 2. K.S.A. 66-2006 is hereby amended to read as follows: 66-2006. (a) On or before January 1, 1997, the commission shall establish the Kansas lifeline service program, hereinafter referred to as the KLSP. The purpose of the KLSP shall be to promote the provision of universal service by local exchange carriers to persons with low income. The KLSP shall be targeted to maintain affordable rates for residential local exchange service. The commission shall approve a means test to determine the eligibility of customers for such low-income assistance.

(b) Every local exchange carrier providing residential local telecommunications services that have been price deregulated in this state pursuant to subsection (q) of K.S.A. 66-2005, and amendments thereto, and any other local exchange carrier or telecommunications carrier shall, automatically enroll its existing and eligible customers in the KLSP, subject to the following:

Deleted: shall,

Deleted: may

(1) On or before January 1, 2009, the department of social and rehabilitation services, hereinafter referred to as the department, or any other successor state agency, shall provide each participating carrier a list of those persons residing in the state that participate in programs which also qualify such persons to receive KLSP services. This listing shall include at

Deleted: may

a minimum the name, address, telephone number and, if available, social security number of such persons. The participating carrier shall promptly enroll customers identified on the department's list and for whom the participating carrier has matched a customer account record with the list provided by the department. Within 30 days of enrollment, the participating carrier shall inform the customer of enrollment in the KLSP, how this benefit will appear on the customer's bill, and how the customer may decline to participate in the KLSP by providing a toll-free telephone number and address for written communications by the customer.

Deleted: consist of those persons who have consented to the release of their personal information to the KLSP carrier to receive KLSP services and

Deleted: and

Every month thereafter, the department shall provide to each participating carrier an updated list of persons eligible to receive such KLSP services. On or before January 1, 2010, and annually thereafter, the department shall provide to each participating carrier a list of those persons who are no longer eligible for or who have ceased receiving benefits from KLSP services. The secretary of the department shall adopt rules and regulations to coordinate the acquisition and provision of the information to be provided pursuant to this subsection (b).

Deleted: six
Deleted: s
Deleted: may
Deleted: consenting

(2) The participating carrier shall use the list for the sole purpose of identifying those of its existing customers to whom it is currently providing telephone service.

(3) The participating carrier shall discontinue providing KLSP services to an eligible customer if the eligible customer notifies the participating carrier that the customer wishes to discontinue receiving those services.

(4) Each participating carrier receiving customer information pursuant to this subsection (b) shall execute a confidentiality agreement with the department prior to receiving non-public customer eligibility information. The agreement will specify that the customer information is released by the department to the participating carrier for the sole purpose of providing KLSP to eligible customers, and that the information cannot be released or used by the carrier for any other purpose unless authorized by the customer or otherwise required by law.

(c) To generate and facilitate participation in the lifeline service program, provide choice for Kansas consumers, and allow collection of federal lifeline program reimbursements, the KCC shall approve a wireline (non-CMRS) facilities-based telephone service provider's application for eligible telecommunications carrier, hereinafter referred to as the ETC, designation in a nonrural service area for the purpose of receiving low-income federal universal service fund support for participation in the lifeline service program, for the area equal to the applicant provider's own service area, provided the applicant provider meets all other ETC eligibility requirements. The commission, however, may condition that such designation remain consistent with the guidelines of the federal program.

Sec. 3. K.S.A. 66-2006 and K.S.A. 2007 Supp. 66-2005 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

Deleted: may

Table 1 contains the exchanges that have been price deregulated pursuant to KSA 66-2005(q). Table 2 contains the exchanges that have been placed in a competitive sub-basket pursuant to KSA 66-2005(p). One application was recently filed and is noted as pending. The competitive sub-basket provides more pricing flexibility for the carrier, but the exchange is not price deregulated.

Table 1: PRICE DEREGULATED EXCHANGES PURSUANT TO KSA 66-2005(q)

Exchange	Carrier	Bus	Res	Docket No.	Date Filed	Date Approved
Smith Center	AT&T	X	X	08-SWBT-173-PDR	8/10/2007	8/31/2007
Colby-Gem	AT&T	X	X	08-SWBT-173-PDR	8/10/2007	8/31/2007
Lawrence	AT&T	X	X	08-SWBT-246-PDR	9/5/2007	9/25/2007
Leavenworth-Lansing	AT&T	X	X	08-SWBT-246-PDR	9/5/2007	9/25/2007
Eudora	AT&T	X	X	08-SWBT-246-PDR	9/5/2007	9/25/2007
Tonganoxie	AT&T	X	X	08-SWBT-246-PDR	9/5/2007	9/25/2007
Clinton	AT&T	X		08-SWBT-246-PDR	9/5/2007	9/25/2007
Basehor	AT&T	X	X	08-SWBT-246-PDR	9/5/2007	9/25/2007
Hays	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Phillipsburg/Kirwin	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Goodland	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Medicine Lodge	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Pratt	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Almena	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Norton	AT&T	X	X	08-SWBT-316-PDR	10/2/2007	10/23/2007
Arkansas City	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
El Dorado	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Hutchinson	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Kingman	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Manhattan	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Newton	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Nickerson	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Salina	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007
Towanda	AT&T	X	X	08-SWBT-452-PDR	11/8/2007	11/29/2007

Table 2: EXCHANGES PLACED IN COMPETITIVE SUB-BASKET PURSUANT TO KSA 66-2005(p)

Exchange	Carrier	Bus	Res	Docket No.	Date Filed	Date Approved
Gardner	Embarq	X	X	05-UTDT-542-MIS	12/22/2004	1/27/2005
Belle Plaine	Embarq	X	X	07-UTDT-1264-MIS	5/10/2007	6/29/2007
Horton	Embarq	X	X	07-UTDT-1264-MIS	5/10/2007	6/29/2007
St. Mary's	Embarq	X	X	07-UTDT-1264-MIS	5/10/2007	6/29/2007
Burrton	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Cunningham	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Hesston	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Hiawatha	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Horton	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Junction City	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending
Sterling	Embarq	X	X	08-SLDC-759-PDR	2/13/2008	Pending